

5769
RECEIVED
LEGISLATIVE AUDITOR
01 SEP -4 AM 10:19

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
COMPONENT UNIT FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2000

Under provisions of state law, this report is a public document. A copy of this report is submitted to the entity and to the legislative officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-12-01

T A B L E O F C O N T E N T S

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	3
COMPONENT UNIT FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW):	
Combined Balance Sheet - All Fund Types and Account Groups	4
Statement of Revenues and Expenditures and Changes in Fund Balance	5
Notes to Financial Statements	6
AUDITORS' REPORT ON COMPLIANCE AND INTERNAL ACCOUNTING CONTROLS	10
SUPPLEMENTAL INFORMATION	12
DATA COLLECTION FORM	13

Latuso & Company

Certified Public Accountants

114 E. Ascension St.
Gonzales, Louisiana 70737
Phone (225) 647-2824

23rd Judicial District Judicial Expense Fund
Gonzales, Louisiana

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying component unit financial statement of 23rd Judicial District Judicial Expense Fund as of and for the year ended December 31, 2000. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements referred to above include only the financial activities of the component unit. Financial activities of the oversight unit are not included.

In our opinion, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the 23rd Judicial District Judicial Expense Fund, as of December 31, 2000 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Latuso & Company

July 2, 2001

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 2000

DECEMBER 31, 2000				
	GOVERNMENTAL FUND TYPE		ACCOUNT GROUP	TOTAL
	GENERAL FUND	SPECIAL REVENUES	GENERAL FIXED ASSETS	(MEMORANDUM ONLY)
<u>ASSETS</u>				
Cash (Note 2)	\$ 85,297	\$19,562	\$ -	\$104,859
Investments (Note 2)	349,228	-	-	349,228
Receivables	9,960	1,292	-	11,252
General fixed assets (Note 3)	<u>-</u>	<u>-</u>	<u>101,616</u>	<u>101,616</u>
Total assets	<u>\$444,485</u>	<u>\$20,854</u>	<u>\$101,616</u>	<u>\$566,955</u>
<u>LIABILITIES & FUND EQUITY</u>				
LIABILITIES:				
Accounts payable	\$ 2,032	\$ 2,219	\$ -	\$ 4,251
FUND EQUITY:				
Investment in general fixed assets			101,616	101,616
Fund balance	<u>442,453</u>	<u>18,635</u>	<u>-</u>	<u>461,088</u>
Total liabilities & fund equity	<u>\$444,485</u>	<u>\$20,854</u>	<u>\$101,616</u>	<u>\$566,955</u>

The accompanying notes are an integral part of the statement.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES AND EXPENDITURES AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2000

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES:			
Court fees	\$133,258	\$ -	\$133,258
Interest income	17,524	-	17,524
Intergovernmental:			
State revenue sharing	<u>-</u>	<u>7,661</u>	<u>7,661</u>
Total revenues	150,782	7,661	158,443
EXPENDITURES:			
General Government:			
Vehicle allowance	29,832	-	29,832
Travel and seminars	22,447	5,740	28,187
Professional fees	2,060	6,004	8,064
Supplies	1,340	4,571	5,911
Dues & subscriptions	2,822	-	2,822
Staff uniforms	2,357	-	2,357
Telephone	868	22	890
Maintenance and Repairs	-	765	765
Postage	-	693	693
Juror's meals	354	-	354
Miscellaneous	61	17	78
Capital outlays	<u>250</u>	<u>3,784</u>	<u>4,034</u>
Total expenses	<u>62,391</u>	<u>21,596</u>	<u>83,987</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	88,391	(13,935)	74,456
FUND BALANCE, at beginning of year	<u>354,062</u>	<u>32,570</u>	<u>386,632</u>
FUND BALANCE, at end of year	<u>\$442,453</u>	<u>\$ 18,635</u>	<u>\$461,088</u>

The accompanying notes are an integral part of the statement.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The 23rd Judicial District Judicial Expense Fund was established in 1995 under Act No. 435 which was an amendment to Title 13 of the Louisiana Revised Statutes of 1950. The Expense Fund was established for the purpose of paying expenses for the Court deemed necessary by the Judges for efficient operations of the court.

The Ascension Parish Families in Need of Services has been implemented for the purpose of ensuring that all families who have been determined as Families in Need of Services as defined by the Children's Code of Louisiana, should have qualified case management and supervision to locate and secure services, to assist and support in crisis and transition, and to prevent any child of the family from entering into states custody.

BASIS OF PRESENTATION

The accompanying financial statements of the 23rd Judicial District Judicial Expense Fund conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

FINANCIAL REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the Judicial Expense Fund is determined on the basis of the accountability for fiscal matters under the control of the Judicial Expense Fund's Judges.

Because the operations of the Court are funded by Ascension Parish Police Jury government, the Fund was determined to be a component unit of the Ascension Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Judicial Expense Fund and do not present information on the Ascension Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

FUND ACCOUNTING

The Judicial Expense Fund uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - (CONTINUED)

FUND ACCOUNTING - (CONTINUED)

A fund is a separate accounting entity with self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Judicial Expense Fund are classified as governmental funds. Governmental funds account for the Judicial Expense Fund's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The Judicial Expense Fund maintains the following fund types and account groups:

- (1) *The General Fund* - to account for all financial resources except those required to be accounted for in another fund.
- (2) *Special Revenue Funds* - to account for the proceeds of specific revenue sources (Ascension Parish Families in Need of Services) that are legally restricted to expenditure for specified purposes.
- (3) *General fixed assets*, which is used to account for property and equipment purchased by the General and Special Revenue Funds.

CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Judicial Expense Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Judicial Expense Fund may invest in United States bonds, treasury notes, or certificates of deposit. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, which includes compounded interest.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - (CONTINUED)

FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No fixed asset costs have been estimated. No depreciation has been provided on general fixed assets.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All government funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Court fees are considered measurable when in the hands of the clerk of courts and are considered revenue at that time.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

BUDGETS AND BUDGETARY ACCOUNTING

The expense fund does not use budgeting as part of their financial reporting.

TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

As of December 31, 2000, the total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position, or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. There are no interfund transactions or balances.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments consist entirely of a checking account and certificates of deposit. These deposits and certificates are stated at cost, which approximates market.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS - (CONTINUED)

The certificates of deposit mature at various dates ranging from six months to eighteen months from inception, with interest being compounded monthly.

The carrying amount of the Fund's deposits with financial institutions was \$454,077 and the bank balance was \$458,475. The bank balance is collateralized by the bank as follows:

	<u>CASH</u>	<u>CERTIFICATES OF DEPOSIT</u>	<u>TOTAL</u>
Amounts insured by the FDIC	\$109,247	\$214,497	\$323,744
Investments that are insured and being held by agents	<u>-</u>	<u>134,731</u>	<u>134,731</u>
Total bank balance	<u>\$109,247</u>	<u>\$349,228</u>	<u>\$458,475</u>

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in general fixed assets follows:

	<u>BALANCE DECEMBER 31, 1999</u>	<u>2000 ADDITIONS</u>	<u>BALANCE DECEMBER 31, 2000</u>
Equipment & Furniture	\$88,814	\$4,034	\$92,848
Building improvements	<u>8,768</u>	<u>-</u>	<u>8,768</u>
Total general fixed assets	<u>\$97,582</u>	<u>\$4,034</u>	<u>\$101,616</u>

Latuso & Company

Certified Public Accountants

114 E. Ascension St.
Gonzales, Louisiana 70737
Phone (225) 647-2824

23rd Judicial District Judicial Expense Fund
Gonzales, Louisiana

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL ACCOUNTING CONTROLS

We have audited the component unit financial statements of the 23rd Judicial District Judicial Expense Fund, for the year ended December 31, 2000 and have issued our report thereon dated July 2, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether 23rd Judicial District Judicial Expense Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the following paragraph.

FINDING:

The results of our tests disclosed that the Judicial Expense Fund did not comply with the requirement to maintain sufficient documentation to substantiate the business use of leased vehicles with a corresponding calculation that the reimbursement for vehicle lease payments did not exceed the allowed amount. Subsequent to December 31, 2000, the business use was documented by reference to their appointment schedules. However, for one Judge, the travel log was maintained in the vehicle, which was stolen in June, 2001. All supporting travel logs were lost. Based on discussion with the Judge, it is believed that his business use exceeded the monthly reimbursements.

RESPONSE:

The Judges will begin providing monthly documentation of their business mileage vehicle expenses.

FINDING:

The results of our tests disclosed that the Judicial Expense Fund did not comply with the Louisiana Local Government Budget Act.

RESPONSE:

The Judge will prepare all necessary budgets for its year ended December 31, 2001 and comply with all requirements of the Louisiana Local Government Budget Act prior to end of 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 23rd Judicial District Judicial Expense Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Judges and Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Latuso & Company

August 23, 2001

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SUPPLEMENTAL INFORMATION

YEAR ENDED DECEMBER 31, 2000

SCHEDULE OF FEDERAL ASSISTANCE

None

SCHEDULE OF PER-DIEM PAID TO JUDGES

None